



TAMPEREEN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
BUSINESS SCHOOL

FINAL THESIS REPORT

**Factors affecting decrease in International Student
Case : University X ,Brisbane International Campus**

(optional picture)

Amitabh Jokhoo

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Supervisor: Shaidul Kazi

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Writer(s):	Amitabh Jokhoo	
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ABSTRACT

Since the 1980's, Australia has become a major player in the international student market, offering globally recognised courses and qualifications. Over the last twenty years, there has been strong growth in transnational education. However, since 2006, there has been a decrease in the number of international students at University X, Brisbane International Campus.

This thesis attempts to explore the factors causing this decrease namely economical, political, social and environmental factor. The study endeavours to contribute to the knowledge base and also seeks to make recommendations to the University for future marketing plans.

The study is limited to a qualitative approach using a case study strategy while sampling information between year 2005 and 2007 will be used. The findings are reported in a narrative structure and ethical issues have been anticipated.

International competition has a big impact in the education industry as it is becoming more aggressive with increasing activity from traditional competitors in developed countries. Asian countries, such as China, India, Singapore and UAE are emerging on the market as their economy and infrastructure is expanding.

National competition has also augmented; other cities in Australia are offering similar coastal experiences to Brisbane. The cost of living, appreciation of the Australian dollar, political factors surrounding the issuing of student visas, influences on student's choice of University, attractiveness of the surrounding environment and facilities are affecting the student's decision to study in Brisbane.

It is suggested that UNIVERSITY X improves and offers unique and desirable courses of study with clear vocational outcomes. The University must also seek to understand the unique qualities of the campus and develop a marketing plan that would be attractive for young international students.

Key words: Queensland Education; Marketing Australian University; Competition

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List of Acronyms

AEI – Australian Education Institute

DIAC – Department of Immigration and Citizenship

NSW – New South Wales

BCC – Brisbane City Council

CRICOS - Commonwealth Register of Institutions and Courses for Overseas Students

1. Introduction

1.1 Background

University X is one of Australia's most dynamic and innovative universities, with campuses covering the east coast of Australia and international operations extending into the Pacific and to the Far East.

University X is funded by the Australian Federal Government and is a member of the Association of Commonwealth Universities, the Australian Vice-Chancellors' Committee and the Australian Higher Education Industrial Association. UNIVERSITY X is one of only eight distance education centres in Australia and awards are recognised by the relevant professional associations.

The campuses are located in some of the world's most spectacular locations, namely Brisbane, Gold Coast, Sydney, Melbourne, regional north Queensland and also have international operations in Singapore, Malaysia and Hong Kong. The Central Queensland Conservatorium of Music is also part of Central Queensland University, and specialises in producing music performers of the highest calibre.

The university has over 26 000 students from around 120 countries offering a five-star quality and relevancy of teaching, learning, research and community programs and services. The University reflects multi-cultural Australia by warmly welcoming its international students and recognising the invaluable contribution these students make to the campus life and the community.

UNIVERSITY X offers a wide range of postgraduate, undergraduate and para-professional courses in Arts, Health & Sciences, Business & Law, Education & Creative Arts, Engineering & Physical Systems, Informatics and Communication. Study Abroad and student exchange programs are also available at undergraduate level for students who wish to complete a semester or year of study in Australia with credit transfer to their home university.

1.2 Purpose of study

University X is an internationally, nationally and regionally networked and engaged university based in Rockhampton, Queensland and operating throughout the Asia-Pacific.

UNIVERSITY X has campuses in Rockhampton, Bundaberg, Gladstone, Mackay and Emerald plus delivery sites on the Sunshine Coast including distance education. The University operates international campuses in Sydney, Brisbane, Melbourne and the Gold Coast.

The international education industry has grown significantly for Australia over the past decade and continues to contribute considerably to economic growth. Education related services are the second largest individual services trade sector for Australia.

From year 2000 to 2006, Queensland education-related international trade credits increased from \$670m to \$1.5b, and the sector's share of all Queensland international trade services credits increased from 12.4% to 20.2% in the same period (Brisbane City Council 2007).

In the year ending December 2006, Queensland had 61,019 international student enrolments, up 8.7% on the previous year (Appendix 1). Queensland accounted for 15.9% of the national total (Brisbane City Council 2007). The report by the Brisbane City Council ranked Queensland as the third largest in terms of international students enrolled in Australia. NSW ranked first with 151,481 (39.5% of national total) followed by Victoria with 107,142 (27.9% of national total).

Brisbane accounts for just on three-quarters (74.7%) of Queensland's international students with a growth rate of 6.4% (Brisbane City Council, 2007). Table 1 show that Higher Education in Brisbane had a decline of -1.2%, contrasting with rapid growth in adjoining areas such as the Gold Coast, Sunshine Coast and Toowoomba.

	Higher Ed
Brsbane 2005	18,974
2006	18,748
% change	-1.2%
Gold Coast 2005	1,369
2006	2,084
% change	52.2%
Sunshine Coast / Toowoomba 2005	1,268
2006	1,413
% change	11.4%
Ipswich 2005	0
2006	0
% change	0%

Table 1. AEI Raw Enrolments in Study Area 2005-2006

This substantial decrease can also be seen in international student's enrolments from 2005 to 2007 (Figure 1).

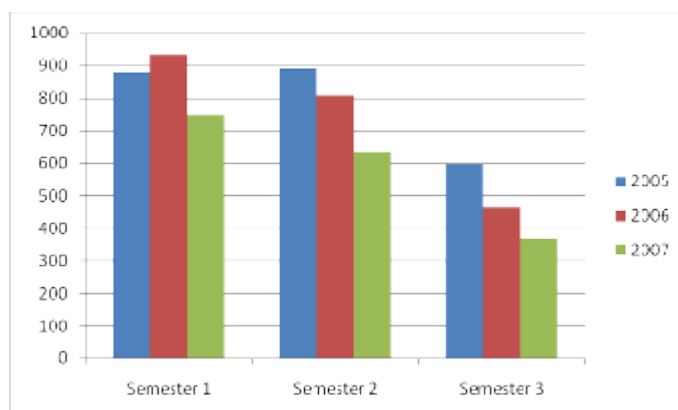


Figure 1. UNIVERSITY X Brisbane Campus Enrolment (Bar Chart) 2005-2007

In Semester 1 2006, UNIVERSITY X Brisbane enrolled 934 international students. A radical decrease in numbers can be seen as from Semester 2, year 2006 where only 807 students were enrolled.

Year	Semester 1	Semester 2	Semester 3
2005	880	892	595
2006	934	807	463
2007	747	635	369

Table 2. UNIVERSITY X Brisbane Campus Enrolment 2005-2007

Decline in the Higher Education sector, the largest sector in the industry is a matter of concern towards the marketing strategy of the university in promoting their core competency. This study will be endeavoured to explore and analyse the causes behind this sudden lost of market share on a national as well as international level in order to help understand the real issues that UNIVERSITY X is facing actually. The findings of the research will be forwarded to the marketing department for reviewing its current marketing strategies and come forward with improvements to re-adjust UNIVERSITY X back in its position on the market place.

1.3 Research Questions

What are the factors behind UNIVERSITY X to register a decrease in international student?

In order to answer this, the sub-section has to be taken into consideration

- Does globalisation has an effect on the decrease?
- How is the external environment affecting UNIVERSITY X marketing strategy?

1.4 Structure and Limitations

The first part of the study is based on theories and research methods that will be used as guideline for the thesis. The second part of the theoretical framework offers a deeper understanding of globalization and international trade structure theory that will be the backbone of the study. The third section of the study will be concen-

trated on the external environment and its constraints regarding educational service providers.

The fourth part will be analysis of secondary data collection from various sources. Initially, this study will confine itself into a secondary research method using a qualitative approach. The sampling of information will be between the years 2005 to 2007, based on the UNIVERSITY X figures and the finding will be illustrated in the fifth one.

Conclusion will be elaborated in the sixth part and finally the last part will be for recommendation to the university as of the finding cross-examined with the theoretical methods for improving the situation. Customer segmentation, feedback and service as well as competitors strengths, weaknesses and strategies will be analysed in depth.

1.5 Research Methodology

1.5.1 Characteristics of qualitative research

The intent of qualitative research is to understand a particular social situation, event, role, group or interaction (Locke, Spirduso and Silverman 2000).

The following is a synthesis of articulated assumptions regarding characteristics of qualitative research advanced by various researchers.

- The researcher is the primary instrument in data collection (Eisner 1991).
- The qualitative researcher uses complex reasoning that is multifaceted, iterative and simultaneous. The thinking process is also iterative revolving from data collection and analysis to problem reformulation. Added to this are, the simultaneous activities of collecting, analysing and writing up data (Merriam 1998).
- Qualitative research is emergent. For example, the research questions may change and be refined as doors open and close during the data collection process (Rossman and Rallis 1998).
- Qualitative research is fundamentally interpretive. This includes analysing data and making an interpretation or

drawing conclusions about its meaning personally and theoretically, stating the lessons learned and offering further questions to be asked (Wolcott 1994).

- The data that emerge from a qualitative study are descriptive. That is, data are reported in words or pictures, rather than in numbers. (Fraenkel and Wallen 1990).
- The researcher seeks believability, based on coherence and insight and trustworthiness (Lincoln and Guba 1985).

1.5.2 Qualitative research strategy

This study will utilise the case study research strategy. The intent of case study research is to explore in depth an event with emphasis on collecting detailed information using a variety of data collection procedures over a sustained period of time (Stake 1995).

1.5.3 Role of the researcher

Particularly in qualitative research, the role of the researcher as the primary data collection instrument necessitates the identification of personal values, assumptions and biases at the outset of the study.

My perceptions of higher education have been shaped by my personal experiences as an international student. I worked closely with the administrative officers and was involved in students' activities. I believe this understanding of the context and role enhances my awareness, knowledge and sensitivity to many of the challenges, decisions and issues encountered as an international student.

Due to previous experiences working closely with the administrative department, I bring certain biases to this study. Although every effort will be made to ensure objectivity, these biases may shape the way I view and understand the data I collect and the way I interpret my experiences. I commence this study with the perspective that the factors impacting the number of international students are diverse and often difficult to assess.

1.5.4 Data collection procedures

The data collection steps include setting the boundaries for the study, collecting information through documents, such as public and private documents, newspapers and journals.

Merriam (1998), Bogdan and Biklen (1992) and Creswell (2002) state the advantage of using this type of data collection:

- As written evidence, it saves the researcher the time and expense of transcribing
- It represents data that are thoughtful, in that participants have given attention to compiling
- May be an unobtrusive method of collecting data

Data collection methods used is secondary methods, namely private statistical data obtained from the university, literature reviews and newspaper articles on higher education, use of Internet and databases.

However, the limitations are:

- Limited access to protected information
- Requires the researcher to search out information in hard-to-find places
- Requires transcribing for computer entry
- Materials may be incomplete
- The documents may not be authentic or accurate

1.5.5 Data recording procedures

To assist in the data collection phase, the recording of documents will be based on the structure for taking notes. I intend to record details related to my observations and keep a diary to chronicle my own thinking, experiences and perceptions throughout the research process.

1.5.6 Data analysis procedures

Merriam (1998) and Marshall and Rossman (1999) contend that data collection and data analysis must be a simultaneous process in qualitative research.

The data analysis for the case study will involve:

- *Organisation and preparation*, that is sorting and arranging the data into different types depending on the sources of information
- *Reading* through all the data to obtain a general sense of the information and to reflect on its overall meaning
- *Coding*, a process taking the text data into categories and labelling those categories with a term (Tesch 1990: pp142-145)
- *Description*, a detailed rendering of information
- *Representing* descriptive information in a qualitative way, using figures and tables.
- *Interpretation* of the data, that is, the lessons learned through the research (Lincoln & Guba 1985)

During data analysis, the data will be organised categorically and chronologically, reviewed repeatedly and continually coded. A list of major ideas that surface will be chronicled (Merriam 1988). Notes and diary entries will be regularly reviewed.

1.5.7 Strategies for validating findings

Creswell (2003, p195) maintains that reliability and generalisation play a minor role in the qualitative research, whereas validity is seen as a strength of qualitative research, where it is used to determine whether the findings are accurate from the standpoint of the researcher (Creswell & Miller 2000).

In ensuring the validity of data, the following strategies will be employed:

- Triangulation of data – Data will be collected through multiple sources to include observations and document analysis and used to build a coherent justification (Creswell 2003, p196).

- Member checking – The university representative will serve as a check throughout the analysis process. An ongoing dialogue regarding my interpretations of the reality and meanings will ensure the true value of the data.
- Clarification of researcher bias – At the outset of this study, researcher bias will be articulated under the heading ‘Role of the Researcher’.

1.5.8 Narrative structure

Loftland (1974) suggests that although data collection and analysis strategies are similar across qualitative methods, the way the findings are reported is diverse. Mile and Huberman (1994) address the importance of creating data display and suggest that narrative text has been the most frequent form of display for qualitative data. Therefore, the results will be presented in a descriptive and narrative form rather than as a scientific report.

1.5.9 Anticipated ethical issues

First and foremost, the researcher has an obligation not to release confidential data about the university. Gaining access to the data and the ethical issues that might arise are the main elements of the researcher’s role for this study. It is important to anticipate the repercussions of conducting the research on certain audiences and not to misuse the results to the advantage of one group or another.

As the research draws on secondary research methods, access to secondary data has been granted by the organisation and no physical access to the site will be required. The research will not be disruptive and the findings will be reported to the organisation.

Secondly, it is imperative that arguments are expressed in a manner that is intended to avoid conflict with the university and infringement of political correctness. For example: in relation to the genders and racial minorities.

Ethical issues in writing and dissemination of the final report involve the potential of suppressing, falsifying or inventing findings to meet a researcher's needs. It will be crucial that such practice is not engaged in this study as these fraudulent practices are not accepted in professional research communities and they constitute scientific misconduct (Neuman, 2000).

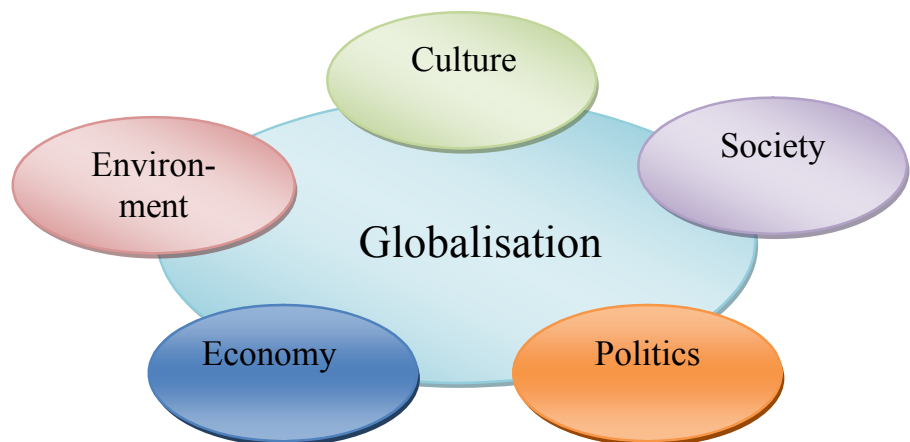
Lastly, it is important to release the details of the research with the study design so that readers can determine for themselves the credibility of the study (Neuman, 2000).

2. Globalization

What is globalization?

There are many different definitions of globalisation, but most acknowledge the greater movement of people, goods, capital and ideas due to increased economic integration which in turn is propelled by increased trade and investment.

There has always been a sharing of goods, services, knowledge and cultures between people and countries, but in recent years improved technologies and a reduction of barriers means the speed of exchange is much faster. Globalization provides opportunities and challenges. Bigger markets can mean bigger profits which leads to greater wealth for investing in development and reducing poverty in many countries. Weak domestic policies, institutions and infrastructure and trade barriers can restrict a country's ability to take advantages of the changes. Each country makes decisions and policies that position them to maximise the benefits and minimise the challenges presented by globalization.



2.1 International trade

Definition: “International trade involves voluntary exchange of goods, services, assets, or money between residents of two different countries”

Over the past three decades, world trade has expanded from \$ 200 billion to almost \$ 7.6 trillion. As a result, nations are much more affected by international business than in the past. Global linkages have made possible investment strategies and marketing alternatives that offer tremendous opportunities. Yet these changes are the speed of change also can represent threats to nations and firms.

Decision makers have come to realized that it is very difficult to isolate domestic economic activities from international market events. Factors such as currency exchange rates, financial flows, and foreign economic actions increasingly render the policymaker powerless to implement a domestic agenda.

Both firms and individuals are greatly affected by international trade. Whether willing or not, they are participating in global business affair. Entire industries have been threatened in their survival as a result of international trade flows and have either adjusted to the new market realities or left the market. At the same times, global business changes have increased the opportunities available. Firms can now reach many more customers and products life cycles have been lengthened, sourcing policies have become variable, and consumers all over the world can find greater varieties of products or services at lower prices.

To benefit from the opportunities and deal with the adversities of international trade, business needs to adopt the international marketing concept. The new set of macro environmental factors has to be understood and responded to in order to let international markets become a source of growth, profit and needs satisfaction

2.3 External Environment

Definition:

“External environment are conditions, entities, events, and factors surrounding an organization which influence its activities and choices, and determine its opportunities and risks. It is also called operating environment”.

A business converts inputs into outputs in order to make a profit. However, the business does not exist in a vacuum; it exists within an external environment consisting of the actions of other players who are outside the business. The external environment consists of:

- competitors
- the economic system
- the social system
- the monetary system
- the political/legal system
- the environmental system

2.3.1 Competitors

Competitor's actions affect the ability of the business to make profits, because competitors will continually seek to gain an advantage over each other, by differentiating their product and service, and by seeking to provide better value for money.

2.3.2 The economic system

The economic system is the organisation of the economy to allocate scarce resources. The economy tends to go through periods of faster and slower growth. Businesses prosper when the economy is booming and living standards are rising.

2.3.3 The social system

The social system is the fabric of ideas, attitudes and behaviour patterns that are involved in human relationships. In particular businesses are influenced by consumer attitudes and behaviours which depend on such factors as the age structure of the population, and the nature of work and leisure.

2.3.4 The monetary system

The monetary system facilitates business exchange. Monetary activity is based around earning, spending, saving and borrowing. Money has been linked to the oil that lubricates the wheels of commerce. Monetary activity involves businesses in a web of relationships involving financial institutions (e.g. banks and building societies), creditors, debtors, customers and suppliers. A key monetary influence for business is the interest rate. Higher interest rates increase business costs and act as a brake on spending in the economy.

2.3.5 The political/legal system

The political/legal system creates the rules and frameworks within which business operates. Government policy supports and encourages some business activities e.g. enterprise, while discouraging others e.g. the creation of pollution.

2.3.6 The environmental system

The environmental system is the natural system in which life takes place. Increasingly businesses have become aware of the relationship between their economic activity i.e. making goods and services for profits and the effects that this has on the environmental system.

3. Constrains of external environment factors

3.1 Economic factors

Economic factors play a major role in selection of an international university. A foreign student is limited to choosing a university in a foreign country that falls within their budget. This budget should be enough to not only maintain the student's tuition fees but also provide for all his living expenses such as accommodation, food, transport and entertainment. Fluctuating exchange rates and cost of living are a deciding factor in any international student's life. The possibility of being allowed to work on a student visa could sway a decision, as supplemental income in local currency and on a regular basis, would be of assistance in an international student's life. The ability to live on campus and eat in the cafeteria at a lower rate would also decrease cost of travel and food and would therefore be in a student's favour. Universities not offering these services would be lower on the selection list of an international student.

3.2 Political factors

Political factors definitely play a large role for international students when selecting a foreign university. Immigration Laws need to be met perfectly before a valid student visa can be issued. Australia has a reputation for being strict on issuing student visas. Mother tongue, religious background, financial issues and criminal records are all scrutinised before an application is processed. There is a cost involved to all of this as well as a long waiting period for approval. Due to the current global political trend, Australia has recently tightened its immigration laws regarding international students. This makes it even more difficult for students to meet all the criteria for studying in Australia and they may look to another country, where less stringent criteria apply.

3.3 Social factors

Social factors that affect an international student's choice of university could comprise of anything from distance from home, to courses specific to a particular university. With the advent on the internet and its ease of use, print media is fast becoming a thing of the past. Universities are no longer mailing brochures to prospec-

tive students but are relying on the students to look them up on the internet. Due to this, many students are more influenced by their parents or peers as to where they attend university, than by research they have done on a particular institution. Obviously, here again, cost of tuition, accommodation, food, transport and entertainment play a role. Having the ability to work locally while studying would help an international student adjust socially and integrate progressively. Social fears of a prospective student may also dictate their choice of university. The more international a campus the more appealing it would be as a choice for students wishing to diversify their knowledge, culture or even religion.

3.4 Environmental factors

Environmental factors, such as location, also have an impact on the selection of a university for foreign students. Surrounding areas and their offerings are taken into consideration. A clean, friendly and easily accessible area is more appealing to an international student than a remote location would be. Should a university not offer affordable housing on or near to the campus, accommodation and public transport in the surrounding areas would be a factor to be assessed. Environmental issues are also specific to a student's choice of course or their personal preference.

4. Findings

4.1 Economic factors

Data from the AEI/ University of Queensland study reports that the weighted average weekly expenditure in Queensland in 2004 was \$478. Weekly expenditure per student in Queensland was broadly in line with that in South Australia, Western Australia, Tasmania and the ACT, but was lower than that in Victoria (\$599) and NSW (\$541).

The weighted average weekly expenditure in Queensland indexed by the December quarter 2006 increased to \$507, which is an increase of \$29.

The major categories of living costs for Queensland students from the AEI survey were:

- Housing (27%)
- Food and groceries (22%)
- Course related expenses (7%)
- Phone and communications (6%)
- Entertainment and recreation (6%)
- Transport (6%)

The appreciation of the Australian dollar is noted as a factor limiting growth. Although the Australian dollar is appreciating against other major international currencies (Appendix 2), Australia is perceived to be a cheaper alternative than the US and the UK.

Only New Zealand with its lower dollar value is considered to be a cheaper option for international students as far as the traditional English speaking countries are concerned. The emergence of new players in the industry such as the Philippines, Malaysia and China have altered this situation somewhat, but as an English speaking country Australia is still perceived to be relatively good value for money.

4.1.1 International Competitors

Brisbane is by far the largest city for international students in Queensland, but from 2005 to 2006 was also the slowest growing of the regions examined, thus indicating in reality, a loss of market share as other cities have focussed more on the international education sector as a key part of their local development strategies (Table 3).

	Higher Ed	VET	Schools	ELICOS	Other	TOTAL
Raw data 2006	5,748	5,974	3,305	13,740	3,853	42,620
Markings and gains	-2,715	0	-360	0	0	-3,361
ELICOS non Visa students	0	0	0	6,670	0	6,670
TOTAL	3,033	5,974	2,945	20,410	3,853	49,205

Table 3. Estimated Enrolments in Brisbane Statistical Division 2006

A Brisbane City Council report of the economic impact of international student in 2007 states that “the top 10 source countries for international students continue to be predominantly Asian although in each sector new countries emerged such as Brazil, the countries of the Middle East, Vietnam, Sri Lanka, Canada, Pakistan and Colombia”. The largest source countries across the sectors were China, Republic of Korea and Japan and enrolments decreased from other markets such as Indonesia, Singapore, Hong Kong and Malaysia (Brisbane City Council, 2007).

The industry is becoming more and more aggressive with increased activity from traditional competitor nations such as UK, USA, New Zealand and Canada as well as other developed countries such as Germany, Holland, Ireland, Malta and South Africa. The report claims that in addition to the traditional competitors, nations such as China, Malaysia, Singapore and the Middle East, that once were just source countries for international students are now also becoming competitors as their infrastructure and education quality has increased (Brisbane City Council, 2007).

China, although still a very strong source of international students is also emerging as a competitor serving the needs of other North-East Asian nations. Moderation in the overall student growth has been recorded between 2005 and 2006 (Appendix 3). For example, China has now become a competitor, investing huge sums in building campuses and attracting foreign investment and partners in the form of joint ventures. China attracts a large number of Korean students who might otherwise have chosen to study in Australia.

There is potential growth from the Middle East, although important cultural issues will still need to be addressed. The Middle East, which over the past decade or so has been an attractive source for Australian institutions, has completed the Knowledge Village in Dubai involving 15 universities. Dubai Knowledge Village (DKV) has become a one stop-shop for education in the region providing undergraduate, postgraduate, MBA and PhD programmes of study in fields such as Computing, Technology, Business Management, Life Science, Fashion, Media and more. The website (Knowledge Village 2004), which provides comprehensive information for over 200 educational entities, is set to become an invaluable resource for learners searching for educational opportunities within the region. Dubai Knowledge Village provides an advanced infrastructure and environment for a variety of organisations to create and disseminate knowledge. As a leading centre for knowledge, the Dubai Knowledge Village has attracted prominent international universities from Australia, India, Pakistan, Iran, Russia, Belgium, England, Ireland and Scotland.

Singapore, once a strong provider country, is itself now an education hub for South East Asia (Singapore Education 2008).

There has been increased competitive position of the United States in the past year after the restrictions imposed in 2001 after the terrorist attack.

4.1.2 Australian Competitors

Within the domestic region, Sydney, Melbourne, Perth and Adelaide are also seen as important competitors in some sectors and for students from some countries. Compared to these cities, Brisbane has been inadequately marketed as a centre for international education. There has not been many input from Brisbane to welcome student and thus, is not well known internationally. An example, there is no “Brisbane University” unlike Sydney University, Melbourne University or Adelaide University.

Brisbane has been perceived only as a gateway to the coasts. Recently, Gold Coast and Cairns have also become significant competitor destinations for international students offering similar coastal experiences as Brisbane.

4.2 Political factors

From a student perspective, major factors centre on the difficulties of obtaining visas and information on Brisbane as a destination. There is a strong perception that the country is protective and difficult to get access to. Various Commonwealth migration and education policies are also perceived as barriers, although some may recognise that the policies are there to protect and maintain Australia’s quality education brand and are therefore also a positive factor.

The perceived restrictions of various Commonwealth policies and regulations are the next most common factors. From a provider’s viewpoint, these include:

- CRICOS registration
- Student visas costs, processing time and difficult to obtain for some countries
- Skilled migration
- Perceived inconsistencies between agencies

The new DIAC Skilled Migration regulations introduced late 2007 (AEI 2007) are likely to result in an increase in those countries with a stronger English language skills base. The new regulations encourage international students with higher level of English to apply for permanent residency.

In 2004, there were 42,300 overseas students who had completed their higher education course. Of these, 34% (14,400 students) were approved for permanent residency onshore under selected skilled categories (ABS 2007).

An increase in regional instability, security or health scares can also contribute towards the decrease in Brisbane's popularity as an education destination.

Australia is generally perceived overseas to be a culturally tolerant and diverse nation despite international media reports highlighting recent political events and personalities. There is concern, however, that Australia's involvement in the Iraq war has had a detrimental effect in some Muslim nations after 11th September incident.

4.3 Social factors

Prior to the use of the web and other alternative means, the print media was one of the few ways in which a college could directly influence college choice (Chapman, 1981). Chapman (1981) found that students selected their preferred college based on their aspirations and school performance and a range of external influences. These external influences include:

- Significant persons (friends, parents and school)
- Characteristics of the institution (cost, location and programs)
- Institution's marketing effort (written material, campus visits and recruitment strategies)

In the Australian context James, Baldwin and McInnis (1999) found that many prospective students do not base their decision on rigorous research and evaluation but rather tend to rely on limited and subjective information. They identify three principal domains, which prospective students should investigate (James, Baldwin and McInnis, 1999):

- The nature of teaching and learning, class size, use of IT and the availability of work placements
- The knowledge and skill outcome of graduates
- Career prospects

A study of first year undergraduates at the University of South Australia (Martin, 1994) identified and evaluated the following factors that were closely associated with study at that university:

- Career preparation
- Specific academic program
- Academic reputation
- Distance from home
- Library resources
- The quality of research programs

In a study by James (2000), the top five influences were:

1. Wish to do a particular course that the university offers
2. Location
3. Prestige of university
4. Employment rates of graduates
5. Opportunities for higher degree study

Interest in course and course reputation were the most highly ranked factors in course selection. Of the 58 business students, 32 (55%) volunteered the view that it was the particular course on offer that they wished to study.

4.4 Environmental factors

The qualitative data revealed that 20 of the 113 respondents applied for their course of study because the campus was close to home. For students, the availability of cheap specialised housing and the regularity of public transport are important issues.

As a destination, Brisbane continues to enjoy widely recognised strengths such as climate and lifestyle, relative safety and attractive living costs as well as being the gateway to the well known tourist areas of the Gold and Sunshine coasts. It is perceived as having the benefits of living in a major city with few of the downsides, although this is changing somewhat.

While several respondents in James study (2000) noted the attractiveness of the environment, the impression that the campus is 'quiet, small and friendly', 'less intimidating than larger campuses' and 'more like a typical American college', a 'beautiful place' was important. Smaller classes, stronger inter-personal relationships with peers and staff and sense of being in touch with the beautiful natural environment are also strong factors.

While the choice of course will continue to be the primary factor in attracting students, secondary factors such as the campus environment should be considered as a marketing advantage.

In the current Higher Education environment cash strapped Universities are under pressure to develop more generic, cost effective programs of study. At the same time students are demanding greater choice in the subjects they are to study, delivery modes, assessment and time spent on campus (James and Beckett, 2006). This environment presents interesting challenges for universities in product development and in positioning themselves in a market already crowded by a myriad of sub-disciplines.

Australian universities are attempting to develop new forms, strategies and slogans such as 'A New School of Thought' is the statement developed to signify new times and new directions at Victoria University. Larger universities find it difficult to make a single statement to encompass many visions in one slogan. A small campus focus may make marketing messages easier to convey.

For small universities such as UNIVERSITY X with regional campuses the need to find compelling reasons for existence is urgent. Several regional Universities failed to attract their student quotas in 2006. Smaller campuses are less efficient, often having smaller class sizes. Academic administrators look to larger lectures of 200 – 500 students as the model of educational efficiency. Smaller campuses may have subject cohorts of 20 or 40 students.

At some universities, the setting, beautiful Victorian buildings set within a parkland environment with majestic views towards the city are unique. The air is fresh and clean, birds punctuate the air with their song. Students at such a university campus complete three years of study within this environment and they are impressed and changed by it. Small course cohorts and small class sizes mean that students come to know each other extremely well over three years of study. They are familiar with each other and with teaching staff, resources and systems. They feel comfortable in their environment. For these reasons they are able to apply themselves to study effectively. Are these benefits sufficient to attract new students in an increasingly competitive environment?

5. Conclusions

The research revealed many trends and patterns some of which were expected and some of which were unexpected, but all indicates that the education market is global and growing. Brisbane's share of that market is only marginally growing in real terms as the number of competitors is increasing. A number of new countries have emerged as competitors thus intensifying competition even more. Many of Brisbane's competitors both in Australia and overseas are much more active in promoting their cities as destinations for international education.

Some of the external environment factors is also affecting the decrease in international students identified in this study are:

- The difficulty, speed and cost for students to obtain visas to study in Australia
- International competition from traditional and now non-traditional providers
- The rising costs of education in Australia due to the strengthening value of the Australian dollar
- The significant costs and complexity of compliance to Federal legislation
- Brisbane is largely unknown due to poor marketing
- There is no cluster group that markets Brisbane education
- Infrastructure issues such as lack of housing and transport facilities

Brisbane enjoys a number of geographic advantages for international students. The main strengths included those that are widely recognised such as:

- Climate and lifestyle
- Safety
- Relatively low living costs
- The benefits of a major city that is not too large
- Availability of employment for students.

At present, these competitive advantages are not being actively marketed and the city is losing market share in this major industry. As the industry becomes more competitive, the need for smart marketing strategies becomes more important.

6. Recommendations

Small and regional university campuses in Australia face a challenging future in the current highly competitive higher education environment. The strategy for smaller campuses such as UNIVERSITY X must therefore be able to offer unique and desirable courses of study with clear vocational outcomes. In addition, they must seek to understand the unique qualities of the student experience of their campus. It may well be that quieter and beautiful regional settings offering small course cohorts can appeal to some prospective students.

Messages about course of study, their relevance and employment prospects are most effectively disseminated through career advisors and teachers because they are the closest to the students at the time selections are being made. Parents also exert a major influence on student's choice but getting marketing messages to parents is less efficient. Use of the open day approach giving career advisors opportunities to meet final year students would seem to be the most useful means for promoting smaller and regional University campuses.

Brisbane accounts for almost three quarters of the international students in Queensland. If the industry is to remain strong and buoyant in Queensland, Brisbane needs to perform well. Currently Brisbane is underperforming when compared to other Queensland cities and its interstate rivals. The industry needs Brisbane as a vibrant and strong competitor that is attractive for young international students.

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8. Appendices

Appendix 1

Time Series of International Student Enrolments in Australia by State/Territory, 2002 to 2006



Australian Government
Australian Education International

Year 2006 Market Indicator Data

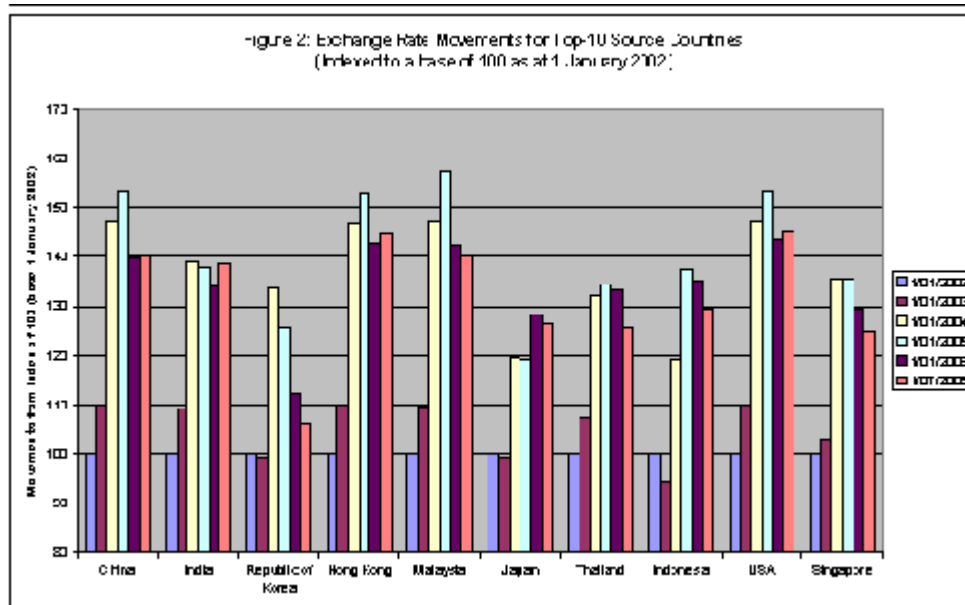
Table C: Time Series of International Student Enrolments in Australia by State/Territory, 2002 to 2006

State/Territory	2002	2003	2004	2005	2006	% Change 2005 to 2006
New South Wales	110,077	119,994	127,975	135,402	151,451	11.8%
Victoria	74,494	84,736	83,580	94,799	107,142	13.5%
Queensland	43,742	50,294	53,735	58,121	61,018	8.7%
Western Australia	27,132	30,304	30,721	31,306	32,830	3.0%
South Australia	11,116	12,712	15,600	18,026	20,690	14.1%
Australian Capital Territory	5,121	6,091	6,154	6,100	6,651	2.3%
Tasmania	2,690	2,958	3,226	3,046	3,937	8.0%
Northern Territory	633	475	410	411	475	15.6%
Australia	274,877	307,990	323,356	348,075	383,818	10.9%

Appendix 2

Exchange Rate Movements 2002 – 2006

Hong Kong Dollar	+45%
US Dollar	+45%
Chinese Renminbi	+40%
Malaysian Ringgit	+40%
Indian Rupee	+33%
Indonesian Rupiah	+30%
Japanese Yen	+27%
Thai Baht	+25%
Singapore Dollar	+25%
South Korean Won	+ 6%



Appendix 3

Market Data Snapshot: People's Republic of China

